

REPORT

Millennial Money Chatter: A Guide to Millennial Financial Discourse

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Executive Summary

Overview

Understanding how Millennials talk about personal finance—“money chatter”—may help credit unions better serve this large consumer base.

MEET THE AUTHORS



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Millennials are changing the English language. When it comes to communication, they have a distinctive way of expressing their thoughts. Don't believe it? Spend 10 minutes on Facebook or Twitter and you'll be hard-pressed not to encounter phrases such as *on fleek* and *throwing shade* and acronyms like *BAE* (“before anyone else”). They're constantly adding entries to their ever-evolving dictionary. If you'd like to communicate effectively with Millennials, you need to understand the way they speak. Words like *groovy* and *booyah* won't resonate with them. Sorry.

As the largest living generation (75.4 million in the United States), Millennials represent the next potential heavy users of financial services and instruments. This is prompting financial institutions to develop products and services that speak directly to Millennials' needs. Millennials' social influence and digital connectivity raises the stakes for brands looking to capture their attention. Credit unions, specifically, must understand Millennials' money chatter—the language they use to discuss personal finances. In doing so, credit unions will be able to better serve this unique market segment.

What Is the Research About?

Our study investigates the following research questions through a netnography (online ethnography):

- ➔ How do Millennials discuss money-related issues?
- ➔ What language do Millennials use to discuss personal finance?
- ➔ What does this language reveal about Millennials' perceptions of financial services, instruments, and institutions?

On average Millennials spend 32 hours a week on digital media.¹ A netnography allowed us to emphasize the digital forums where Millennials discuss their financial issues. Moreover, we were able to better observe the web presence and social media platform usage of credit unions. We performed a discourse analysis on a sample of 1,800 tweets, 7 blogs, and 5 forums we feel represent the wider conversation about money that Millennials are engaging in online.

An overall analysis of the online money conversation among Millennials reveals interesting trends:

- Millennials' discourse is predominantly negative; the most expressed emotion is anger, followed by fear.
- The repeated theme of focusing on every single purchase and every single decision shapes Millennials' money talk around the concepts of self-awareness, consciousness, and mindfulness.
- Millennials use symbolic referents to lament the debt they carry. Some examples include the debt repayment paper chain and the metaphor of debt as slavery.
- You Only Live Once (YOLO) and Fear Of Missing Out (FOMO), well-documented acronyms coined and used by Millennials, place more attention on living in the moment than on planning for the future.

The language and metaphors in this report may seem ill informed, selfish, or unduly negative to some. We caution against judgment or dismissal as these are the conversations that are being had, with or without us.

What Are the Credit Union Implications?

Credit unions have an opportunity to tap into Millennials' perceptions of personal finance. An emerging fintech market is appealing directly to this generation and poses a threat to credit union objectives for greater Millennial engagement.

Utilizing Millennials' money chatter in marketing communications may prove effective. Campaigns targeting Millennials to “break the chains of debt” using paper chain imagery or to “create cool new beginnings” with reduced debt depicted by debt thermometers would resonate. Campaigns that target milestones like graduation can enable credit unions to cast themselves as ready, trusted partners for Millennials transitioning into adulthood.

Moreover, credit unions can appeal to the YOLO-minded through gamification apps or programs that encourage present day-actions, such as savings accounts that yield rewards in the near future. The full report highlights additional recommendations for credit unions looking to speak directly to Millennials and their financial needs.

Millennial Money Chatter: A Guide to Millennial Financial Discourse



CHAPTER 1

Who Are Millennials and Why Are They Important to Credit Unions?

The US Census Bureau defines Millennials as those aged 18–34 in 2015. Now numbering 75.4 million, Millennials have become the largest living generation in the United States, surpassing the 74.9 million Baby Boomers, aged 51–69.² Millennials are the most racially and ethnically diverse generation in history, with nearly half defined as “non white.” They are the best educated (with higher levels of college and post-graduate degrees) and the most technologically savvy generation. Millennials are the most wired and socially connected consumer generation to emerge. They utilize online information from governments, companies, nonprofits, and peers to vet their personal decision making.

Millennials move through life cycles and participate in markets differently than prior generations. For example, Millennials have delayed establishing households, marriage, procreation, and home ownership in comparison to the three previous generations (Silents, Baby Boomers, and Gen X'ers). They have record low loyalty to their employers. Millennials embrace access markets and crowdsourcing.

As Millennials enter adulthood and their prime earning and spending years, they represent the next potential heavy users of financial services and instruments. Their money chatter—the language they use to discuss money, personal finance, and their perceptions of financial services, instruments, and institutions—is important for serving their needs and communicating value propositions to them. This research provides credit unions with a better understanding of this emerging and major segment of financial consumers.

Our study investigates the following research questions:

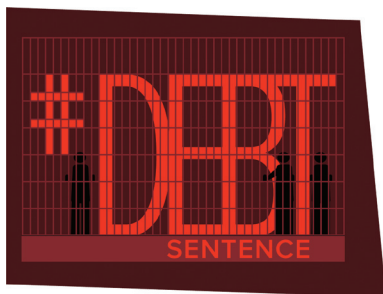
- How do Millennials discuss money-related issues?
- What language do Millennials use to discuss personal finance?
- What does this language reveal about Millennials' perceptions of financial services, instruments, and institutions?

To address these questions, we conducted a netnography (online ethnography) focusing on discourse analysis of Millennials' online postings related to money and personal finance. We examined the popular forums where Millennials discuss money and personal finance, identifying language patterns: semiotic, sentiment, thematic, semantic, and syntax.

CHAPTER 2

Millennials and Debt

Metaphors, according to Wikipedia (a favorite Millennial source), are figures of speech in which a word or phrase is applied to an object or action to which it is not literally applicable, or, put another way, a thing regarded as representative or symbolic of something else, especially something abstract. Our semiotic analysis of Millennials' money chatter analyzes metaphors and symbolic referents, such as photos and memes, in order to unveil meanings hidden in Millennials' financial conversations. The following illustrate common metaphors.



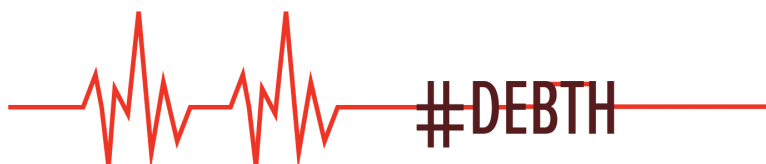
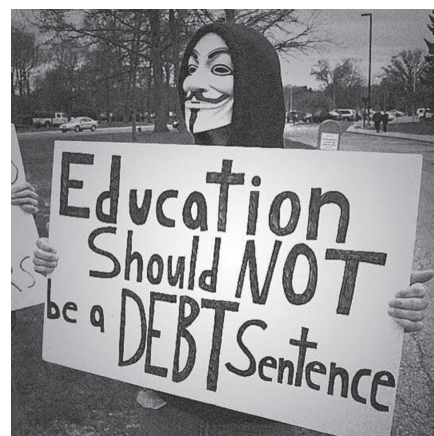
Debt Sentence

College education should create opportunities to succeed, but for many it is a #debt sentence.

Student debt seems to monopolize the money talk among Millennials, and the conversation is full of expressions of negative feelings. These loans are seen as punishment for doing nothing wrong, and because what Millennials perceive as an injustice is so deeply embedded in the system, in this generation's discourse interest rates become fines and living in debt becomes a prison sentence. A *debt sentence* is the ultimate price paid for those who only wanted a better future.

FIGURE 1

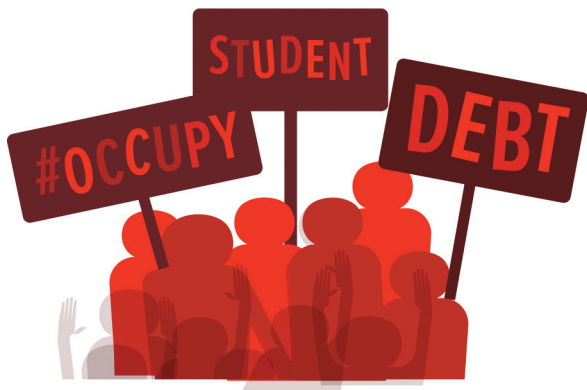
DEBT SENTENCE IMAGE



Debt as Death (#debth)

What if the cure of cancer is stuck in a mind that can't afford education?
 #debth @SHWAKSTER

Debt as death illustrates the extent to which young people see financial worries as a barrier to living an emotionally and professionally fulfilling life.



#OccupyStudentDebt

The metaphors of death and slavery were at the center of the Occupy Student Debt activist movement in 2014 and the conversation around it: #OccupyStudentDebt.

Some individuals reposted Figure 2's photo on Twitter with the following comments:

Borrowed \$26,400 paid back \$32,700, still owe \$45,276. This is usury & slavery. #occupycnn #occupystudentdebt —@BIGSKYDEM

Total free market and police state=the dystopia college profs warned about. Student debt holds us down. How convenient. #occupystudentdebt

—@JSHOFFIETT

How many of you can relate to this? It's a form of slavery. #OccupyCNN #occupystudentdebt

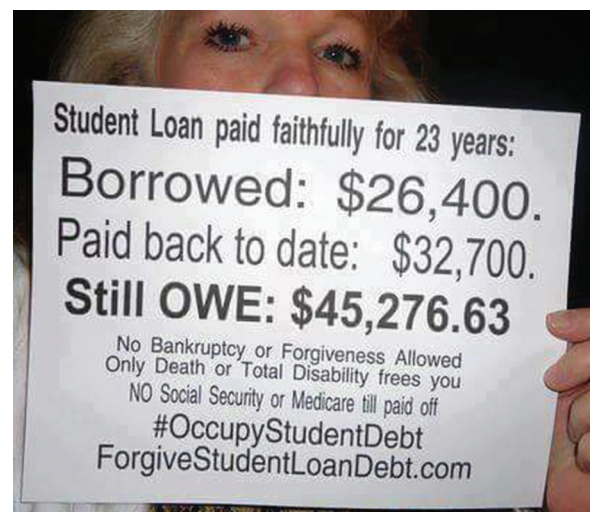
—@MONTUCKYBAMA

We are told to get a #College Degree. Majority of #students get a lifetime debt because of it. #OccupyStudentDebt —@ITSJIMMYRIVERA

The Occupy Student Debt movement has lost some of its traction, but in 2014 a fund was created in its name to buy and forgive debt. This fund, which allegedly has wiped out \$19 million in debt to date, is referred to using the highly symbolic word *Jubilee* (in the Bible, the day when slaves and prisoners are freed, and all debts are forgiven).

FIGURE 2

#OCCUPYSTUDENTDEBT IMAGE





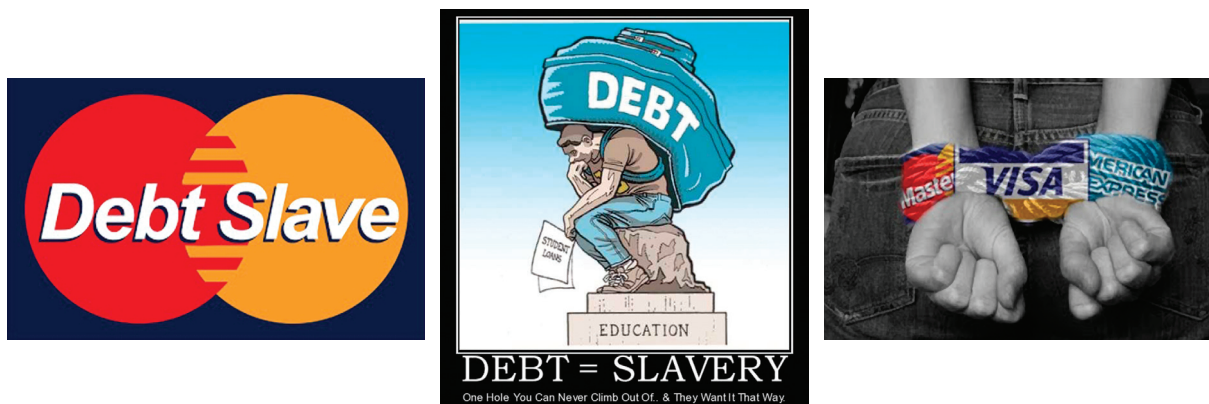
Debt as Slavery

The urban dictionary defines debt as “a modern form of slavery.” The use of slavery as a metaphor for debt is not new. The following quote is attributed to John Adams: “There are two ways to conquer and enslave a country. One is by the sword. The other is by debt.” In a time when student loan debt has doubled in five years and surpassed credit card and auto loan debt,³ the metaphor clearly resonates with Millennials.

Institutions are blamed for creating a rigged game in which loans crush all hopes of financial independence. The metaphor extends to other types of debt (healthcare, consumer credit) and if Millennials are slaves, financial institutions are the slavers.

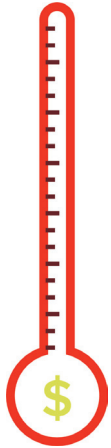
FIGURE 3

DEBT SLAVERY IMAGES



Debt Symbols

Millennials use symbolic representations of debt in online discussions of money and personal finance. Generally, they are used to lament the debt they carry or to demonstrate debt repayment plans.



Debt Thermometer/Savings Thermometer

The thermometer is a symbol that can depict a debt level or an asset level. Interestingly, Millennials use the thermometer as mounting debt raising temperature and as mounting repayment or asset accumulation (savings) raising temperature. In essence, the thermometer is a metric of debt load and debt reduction/assets, but hot and cold valences can be positive or negative.

In Figure 4 a Millennial uses the debt thermometer to show their level of paid debt. The more debt paid, the higher the temperature. As the Millennial repays the debt, the temperature rises.

Debt Repayment Paper Chain

Linked to the metaphor of debt slavery, the debt chain represents the bonds of debt a Millennial holds. Each link on the chain represents a unit of currency (e.g., \$100). As debt accumulates, more links are added to the chain. As the debt is repaid, links of the chain are torn off. Unlike the thermometer, we witnessed no one using a savings chain—i.e., there were no instances of people saving money and accumulating chain links. This is not to say that this does not happen, only that there are no instances in our data.

FIGURE 4

DEBT SYMBOL: THERMOMETER



FIGURE 5

DEBT SYMBOL: PAPER CHAIN



Language Trends



FOMO and YOLO

Fear Of Missing Out (FOMO) and *You Only Live Once (YOLO)* are well-documented acronyms coined and used by the Millennial generation, and they are part of the reason Millennials are seen as short-sighted, placing more attention on living in the moment than on planning for the future.

Indeed, these words represent two of the most important motives driving consumption among young adults, but they also illustrate how this generation craves social and experiential consumption over material possessions.

The four states where *FOMO* has been most searched are Massachusetts, the District of Columbia, New York, and Delaware. Interest in the acronym *YOLO* is highly concentrated in California (Figure 6).

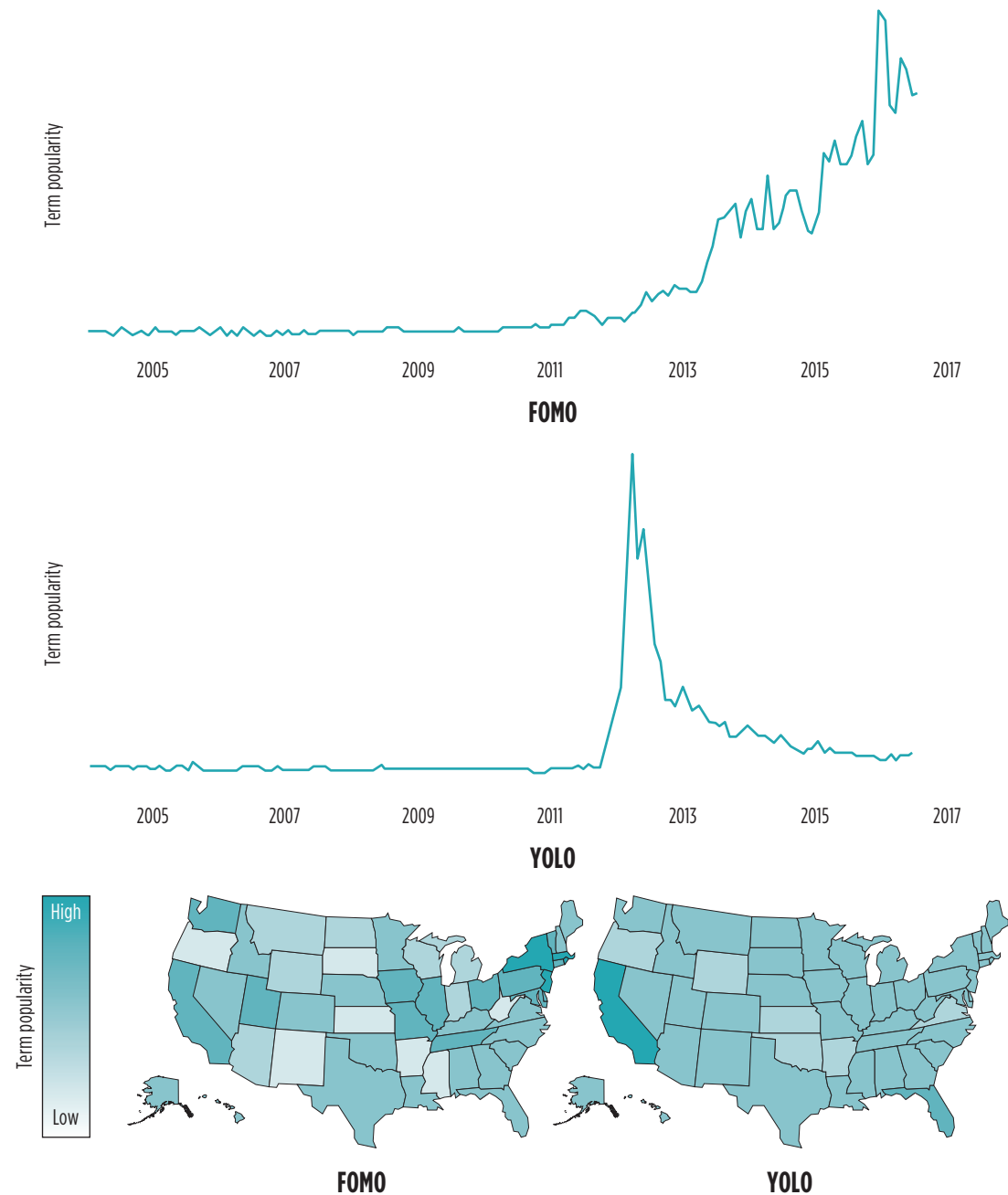
A less explored and more innovative use of *FOMO* is *Financial Fear Of Missing Out (FFOMO)*, which a blogger describes as the fear of:

Not taking advantage of the only time I'll ever have the power of 35 to 40 years of compound interest on my side. —HALFBANKED.COM

These are the words of a self-educated expert and amateur financial guru and do not represent the norm, but the feeling behind them is shared by a growing number of Millennials. Our data include many instances of young adults worried about not putting their hard-earned money to the best use and juggling debt repayment with saving goals and investment, which explains the huge increase in popularity of robo-advisors (online portfolio management advisers).

FIGURE 6

GOOGLE TRENDS: FOMO AND YOLO



	Negative 93%	Neutral 7%	Positive 0%
FOMO	Iso I understand this is partly my fault because my Fomo won't let me move out of NYC and this city is costing me \$\$\$\$\$	I just learned what FOMO means. "Fear of Missing Out" #TheMoreYouKnow	
YOLO	Newbie thinking of yolo-ing on ELTP. Talk me out of it.	yolo right?	He gave us a nice amount of judgment for playing pokemon go at 3AM . . . But yolo

Kidult

Kidult is a portmanteau, or blending, of the words *kid* and *adult* meaning “an adult who behaves like a child.” Use of this word saw a steady increase from 2005 to 2012 but its popularity seems to have declined since. Most of its uses seem to be concentrated in New York.

The word can have many positive connotations and meanings, including a parent who spends quality time with their children and having a young-at-heart, optimistic nature. Over time, however, the term has become pejorative when used to describe Millennials, a generation used to being labeled as immature and spoiled. A “kidult” in this sense is the young adult who will not move out of their parents’ house and whose lack of independence is a consequence of their own laziness and immaturity:

These “kidults” still live with their parents and hop around from job-to-job and relationship-to-relationship. They lack direction, commitment, financial independence, and personal responsibility. They are boomerang kids, adult teenagers. . . . Only a culture with exceedingly low expectations of young people can view the existence of these twentysomething Peter Pans as a positive thing. —THEREBELUTION.COM

Today, *kidult* is a word predominantly negative valenced, but that does not seem to be stopping many firms from using it to try to engage Millennials.

Degifting

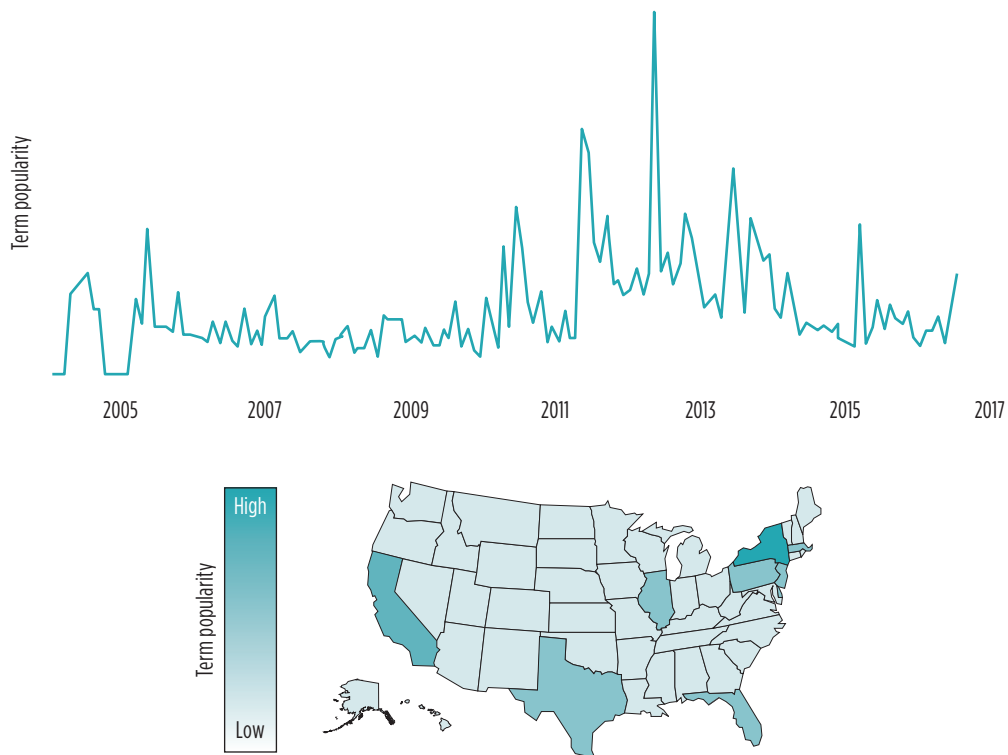
Degifting is suspending gift exchanges, usually upon mutual agreement, either for a single occasion or indefinitely. This agreement may be motivated either by frugality or by a wish to replace consumerist forms of gift giving with something more ethically or experientially meaningful such as a charitable donation or a holiday party.

I’ve decided that #Degifting is the best plan for Christmas. #TeamJigsaw Please, think about giving some TIME to #AnimalRescue Foundations. —ISAAC WAX @SURF_WAX

This is an alternate use of the word that was introduced in a 1995 *Seinfeld* episode in which *degifting* is described as “taking a gift back.” It seems to be an upcoming trend but its usage is highly seasonal, concentrated in the winter holidays, and not yet a norm in Millennial conversation.

FIGURE 7

GOOGLE TRENDS: KIDULT



Negative 46%

I'm a kidult for lack of a less obnoxious term. I don't even have curtains. Even in my own version of adulthood, I'm a poor excuse for an adult.

Neutral 46%

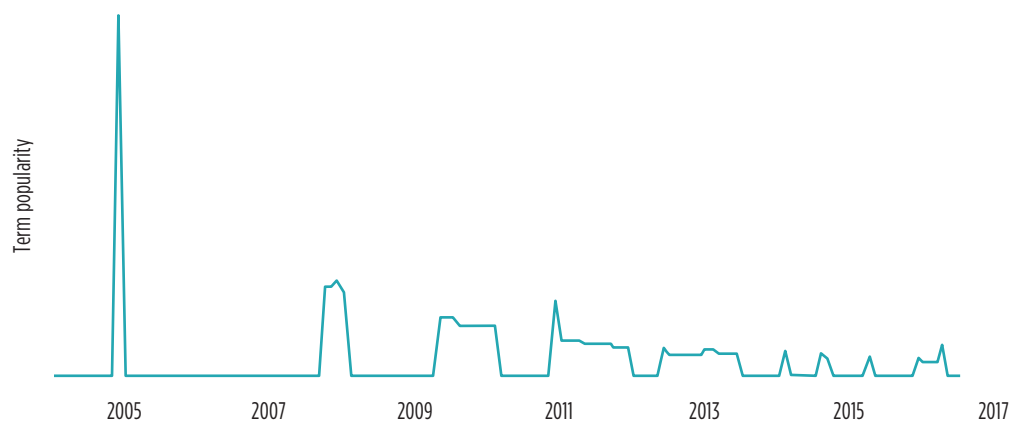
Calling all kidults! Join us at the Science Museum on Wednesday 26 August and step back into the wonder-filled world of childhood.

Positive 8%

Oooohhh this is going to be fun/dizzying on this screen! #adulting #kidult

FIGURE 8

GOOGLE TRENDS: DEGIFTING



Adulthood

Becoming an adult is symbolically enacted by “doing grown-up things” and having worries and responsibilities that are traditionally related to adult life, especially in the professional and financial realms.

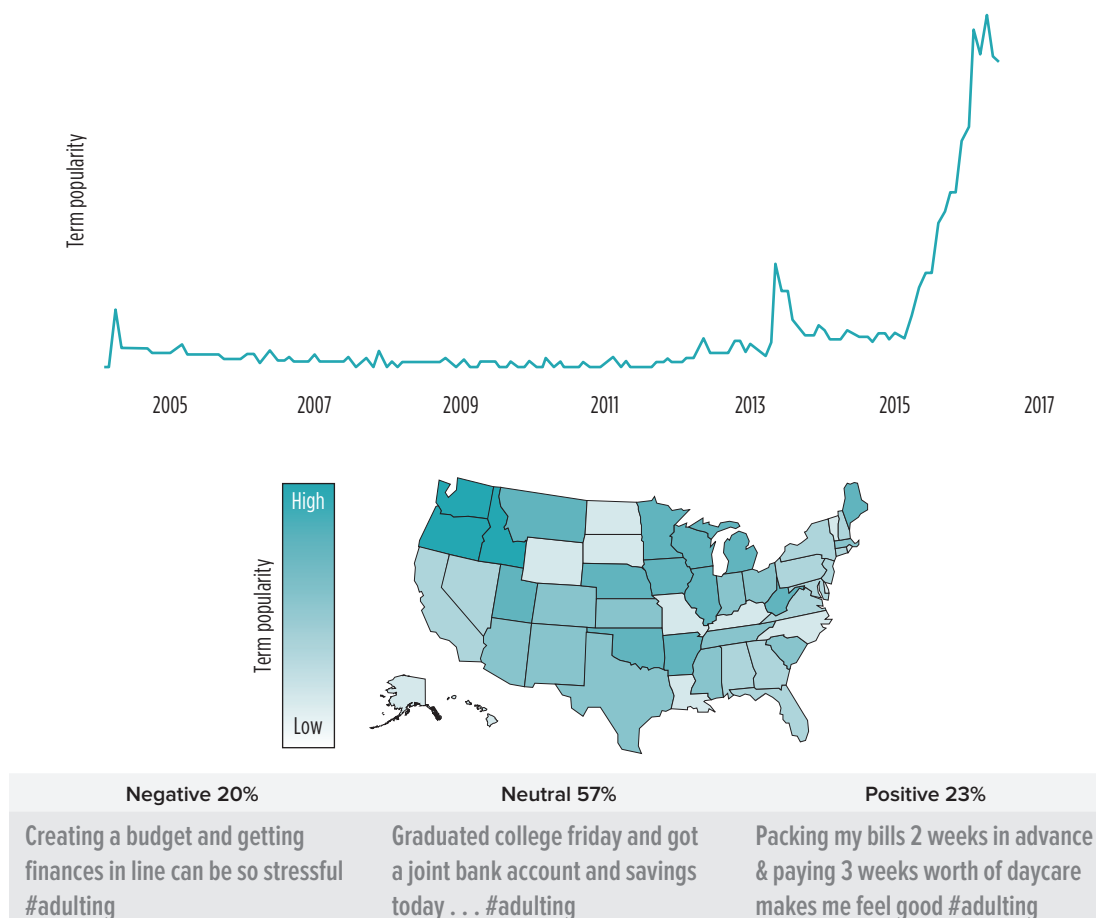


To *adult*, a verb, and its gerund, *adulting*, are on Merriam Webster’s list of neologisms whose use is being tracked as a precursor to acceptance in the dictionary. It is noted there that “(To adult) includes things like having a job and living independently, but also such mundanities as taking clothes to the dry cleaners (and remembering to pick them up), making and keeping dental appointments, getting your car registered, doing yardwork.”⁴

Merriam Webster also documents that the use of *adult* as a verb has seen a sixfold increase in 2016 over the previous year. Google searches on the term mirror this trend (Figure 9).

FIGURE 9

GOOGLE TRENDS: ADULTING



Google Trends also reveals that interest in this word is higher in Idaho, Oregon, and Washington.

Adulthood is used as a neutral descriptor when documenting the milestones of becoming an adult and has no positive or negative valence in itself.

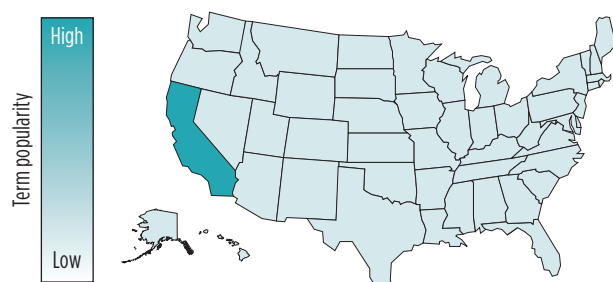
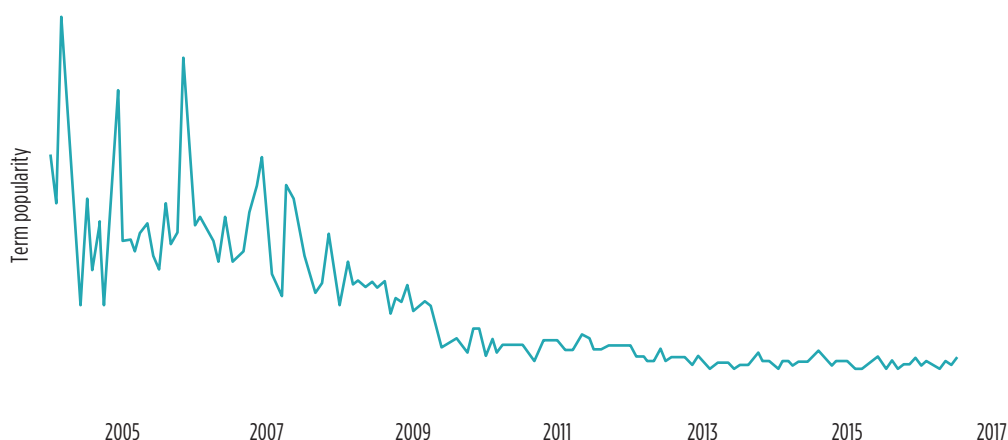
Frugle

Likely a portmanteau formed with *frugal* and *struggle*, *frugle* refers to frugality, specifically as caused by economic hardship. In reality, *frugle* and *frugal* are used almost interchangeably and the choice between the two is likely a linguistic marker of the speaker's age and background.

The word is still not used in mainstream media, and for now its use seems confined to social media and some forums (Reddit, or #Frugle on Twitter). Interest in this word is very much concentrated in California.

FIGURE 10

GOOGLE TRENDS: FRUGLE



Negative 0%

Neutral 64%

Positive 36%

I'm about to start posting drum covers on youtube, and was wondering if you could recommend a mixing desk, within a fairly frugle budget?

I am looking to get some advice from frugle (. . .) people in the know.

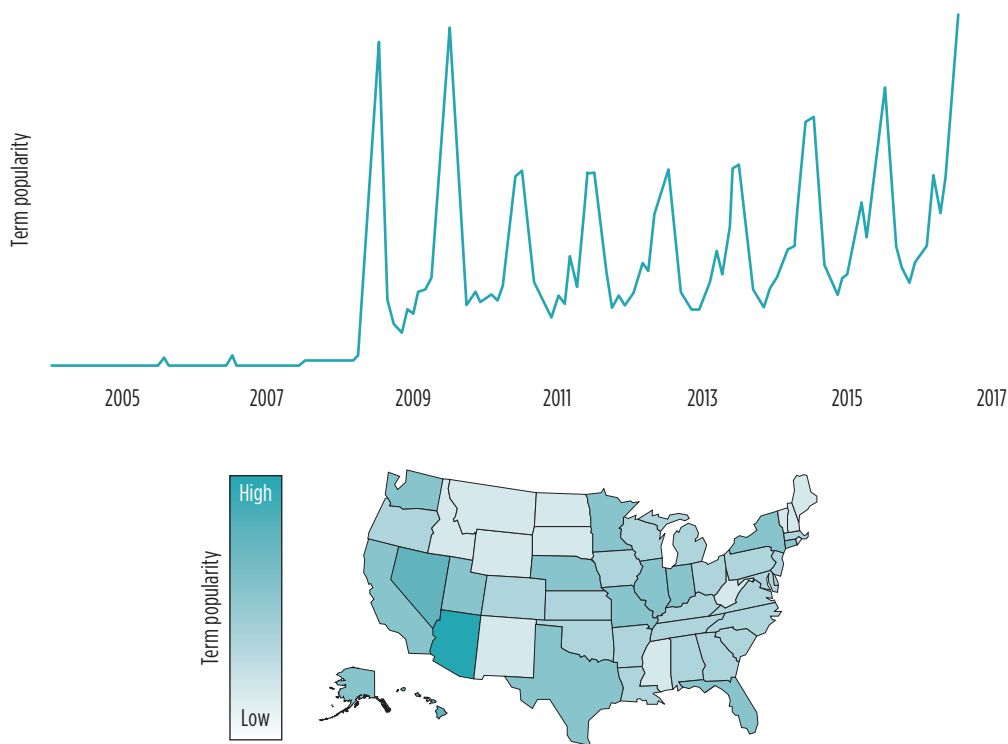
Staycation and Nearcation

Staycation is a portmanteau of *stay* and *vacation* that refers to a holiday period spent engaging in leisure activities close to home. Interest in this neologism has been increasing steadily since 2008, as the graph in Figure 11 illustrates. Although the term is widely used, its use is greatly overrepresented in Arizona, especially in Phoenix.

As with degifting, what started out as a necessary evil caused by economic hardship (part of the #Frugle conversation) has taken on the more positive connotation of a highly experiential, sustainable holiday alternative to mass tourism and consumerism. A close relative of the staycation is the nearcation. Often brought about by economic hardship or a desire to save money, the nearcation is defined as a vacation relatively close to one's home. Unlike the staycation, some nominal travel is used to get away from home for a few days—for example, people who live in Huntington Beach, California, might drive to Los Angeles or San Diego to stay for a few days.

FIGURE 11

GOOGLE TRENDS: STAYCATION



Negative 14%

If you're staring down a staycation this summer even though you'd rather jet off to Europe, Highlands Ranch author Eleanor Brown's new book, "The Light of Paris," might be just what you need

Neutral 57%

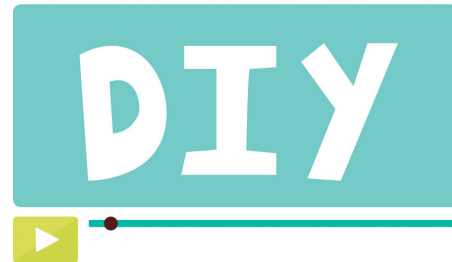
This drives big city hotels to offer extra savings if you're looking to plan a staycation.

Positive 29%

Happiness is being on vacation and discovering a cat cafe in your neighbourhood! #staycation

DIY

Do It Yourself (DIY) is not unique to Millennials, but it deserves a mention because of the big part it plays in the financial frugality (#Frugle) conversation. Cutting their own hair or preparing their own to-go coffee out of financial necessity are growing DIY trends among Millennials:

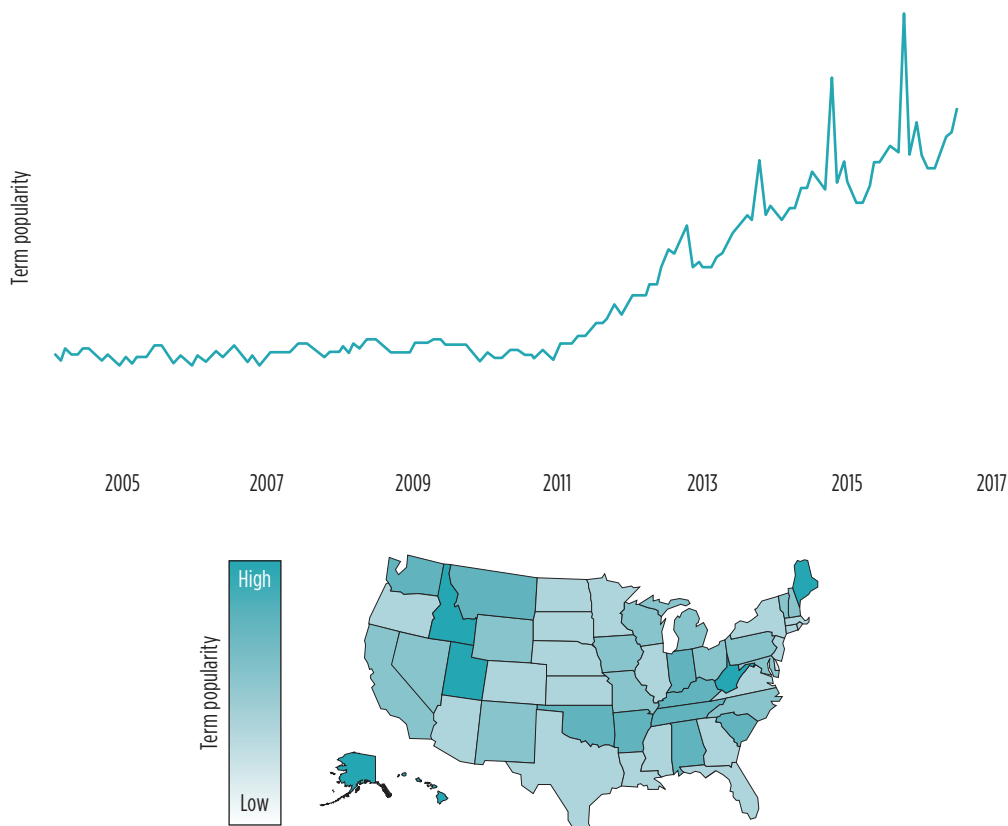


I talked several times about our efforts to make cheap meals, saving money by making homemade yogurt (super easy and so tasty!), DIY-ing pumpkin spice coffee . . . —BLOGGINAWAYDEBT.COM

As expected, interest in this word is very widespread, although some states such as Utah, Idaho, Montana, and Washington seem especially fond of the term.

FIGURE 12

GOOGLE TRENDS: DIY



Negative 4%	Neutral 60%	Positive 36%
All the car washes I can find are either DIY or hand washed (. . .). Is there somewhere I can go for a quick external wash that doesn't involve getting wet myself?	A DIY makeup brush holder with inspiring quotes and reminders	Got my hands on some old dirty barn wood and am making magic happen. #DIY

Emotional Trends

An overall analysis of the online money conversation among Millennials reveals interesting trends. All emojis were extracted from the 1,800 money-related tweets in the sample and classified by type and valence. Emojis were used far more than ideograms, and the latter category was almost exclusively formed by representations of money. A comparison of the relative frequencies suggests a heavier representation of negative feelings in the discourse. The most important smileys and ideograms are shown in Figure 13, with the length of each bar representing relative frequency. Negatively valenced emojis are clearly overrepresented in this discourse, with sadness or fear somewhat dominating the money conversation on Twitter.



Text from forums, blog posts, and comments was content analyzed for patterns using IBM Watson, a technology platform that uses natural language processing and machine learning to yield insights from large amounts of unstructured data. Among other functions, Watson can analyze discourse tone and personality insights based on large samples of text. Watson reveals that Millennials' discourse is predominantly negative in blogs and forums, although in

this more structured medium anger is the most frequently expressed emotion, followed by fear (see Figure 14). Emotional range, defined as "the extent to which a person's emotion is sensitive to the environment,"⁵ is the most notable social tendency, followed closely by agreeableness. This paints a picture of Millennials using social media and websites to share their frustration, offering support to one another.

Watson also allowed us to create a personality profile based on Millennials' money chatter (tweets, blogs, and forums), shown in Figure 15. The numbers shown are percentages normalized against a sample population so that 50 represents an overall average. The complete Watson report includes 47 characteristics organized around three themes: personality traits, needs, and values. For clarity, only the top and bottom nine characteristics (the top and bottom 20%), those that make Millennials' money chatter unique, are represented.

FIGURE 13

EMOJI ANALYSIS FOR MILLENNIAL MONEY CHATTER ON TWITTER

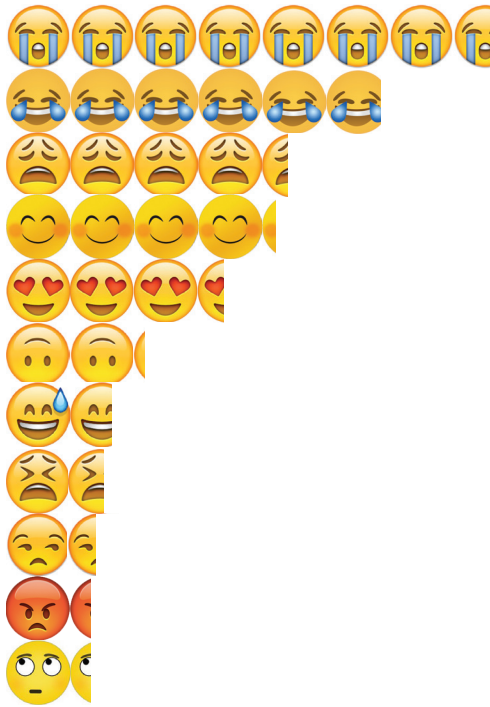
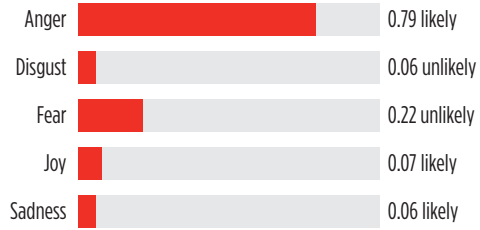


FIGURE 14

TONE ANALYSIS ON MILLENNIAL MONEY BLOGS

Emotion



Language style



Social tendencies

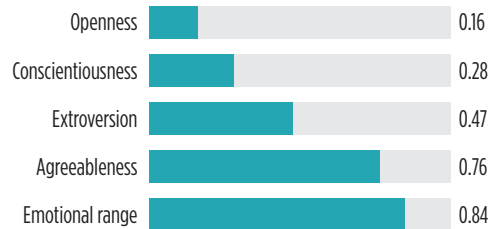


FIGURE 15

TOP AND BOTTOM NEEDS, VALUES, AND PERSONALITY TRAITS AS REVEALED IN MILLENNIALS' MONEY CHATTER

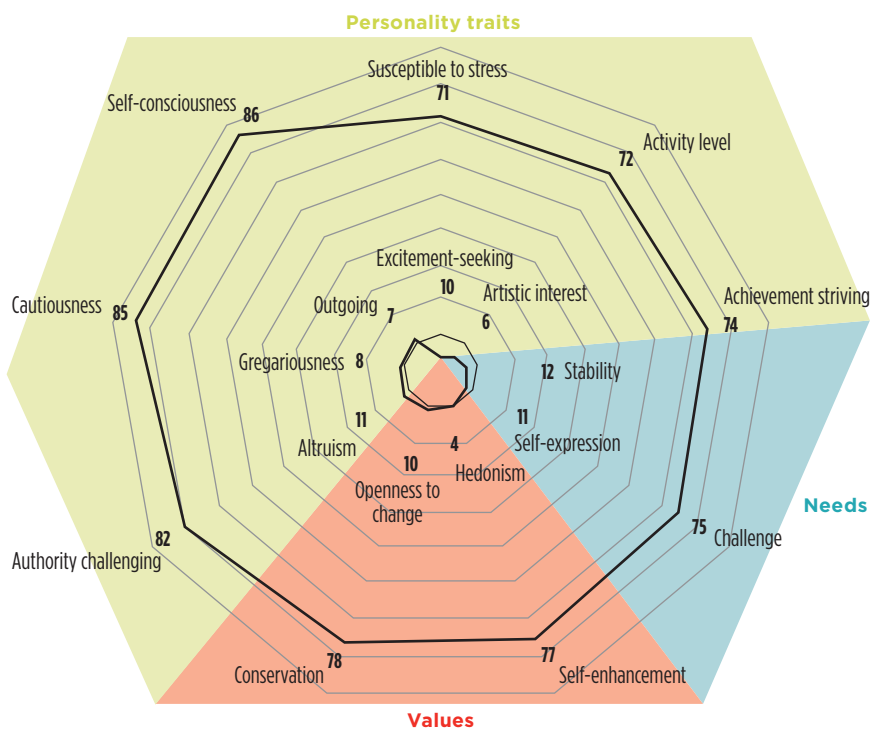


FIGURE 16

MILLENNIALS’ MONEY CHATTER PROFILE

Personality traits	Values	Needs
Unconcerned with art	Anhedonic: Do not seek pleasure and sensuous gratification for themselves	Do not enjoy discovering and asserting their own identities
Reserved		
Independent		Do not seek equivalence in the physical world; distrust standards and the “tried and tested”
Calm-seeking	Closed to change: Resist change and do not seek new experiences	
Self-focused		
Organized		
Susceptible to stress	Seek personal success for themselves	Have an urge to achieve, to succeed, and to take on challenges
Energetic		
Driven	Emphasize self-restriction, order, and resistance to change	
Authority-challenging		
Deliberate		
Self-conscious		

The above- and below-average scores can be translated to create a descriptive profile of the typical Millennial when engaged in conversation about money (Figure 16).

This should not be read as a personality profile for Millennials in general, but as a characterization of their money discourse in particular.

CHAPTER 5

Technology

Under the umbrella term *fintech*, a whole industry has been created composed of companies offering technology-mediated financial services. The bulk of the popular fintech startups today are mobile-only apps targeted directly at Millennials because they are comfortable with digital technology—they grew up with it.

Robo-Advisors

Robo-advisors are financial advisors that provide online financial advice or portfolio management with very little or no human intervention.

FIGURE 17

GOOGLE TRENDS: FINTECH

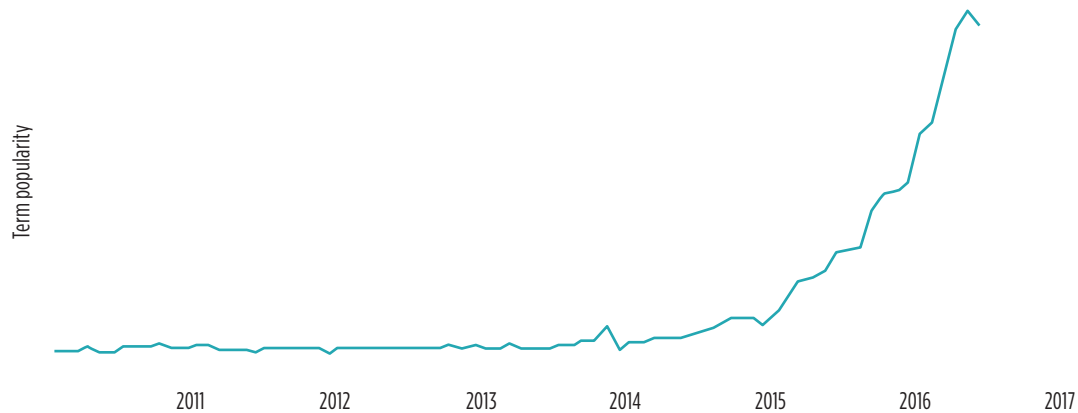
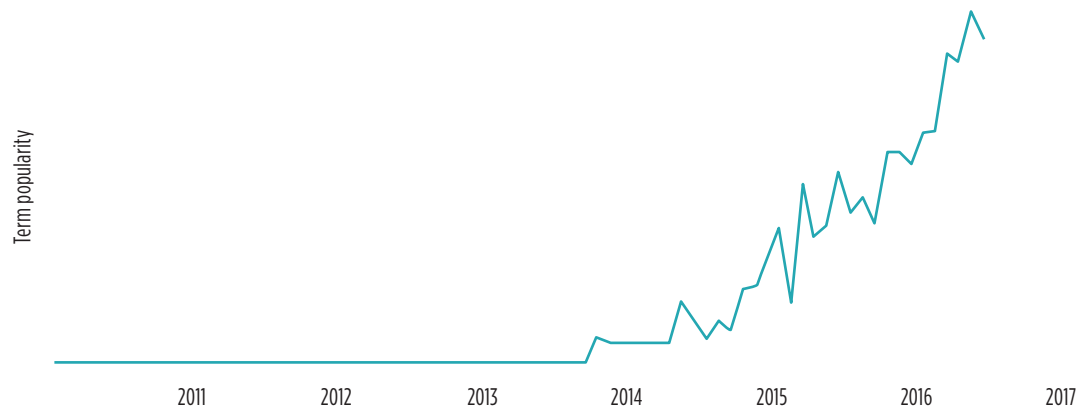


FIGURE 18

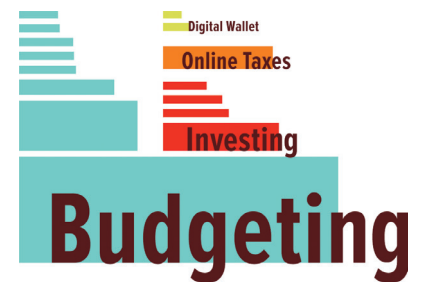
GOOGLE TRENDS: ROBO-ADVISOR



Personal Finance Technologies

This category includes software, websites, and apps for budgeting and money management. Apps such as Mint are considered personal finance software and offer a wide range of services. The following is a list of keywords directing search traffic to Mint.com:

- Money manager.
- Personal finance manager.
- Budget template.
- Credit score monitoring.
- Personal budget.
- Financial planner.
- Financial software.
- Accounting software.



- Credit card selector.
- Budget tracker.
- Budget planner.
- Budget software.
- Personal money manager.
- Finance tracker.
- Budget manager.
- Spending budget.
- Bill management.
- Money tracking.
- Bill reminder.
- Payment reminder.
- Financial tracker.

Budgeting tools are the most popular personal finance option, with apps like YNAB and Mint monopolizing the #fintech conversation among Millennials on Twitter, blogs, and forums. Among these general budgeting tools there are more specific options such as ReadyforZero, which is focused on debt repayment, and Credit Karma, a credit card and credit score monitoring app.

YNAB

You Need a Budget (YNAB) is the most popular personal budget program among Millennials. YNAB has also become a sort of mantra for financially savvy Millennials, used to justify their efforts and advise others to be more mindful of their money. As a result, only about half of the mentions of YNAB in our data are related to the budgeting software.

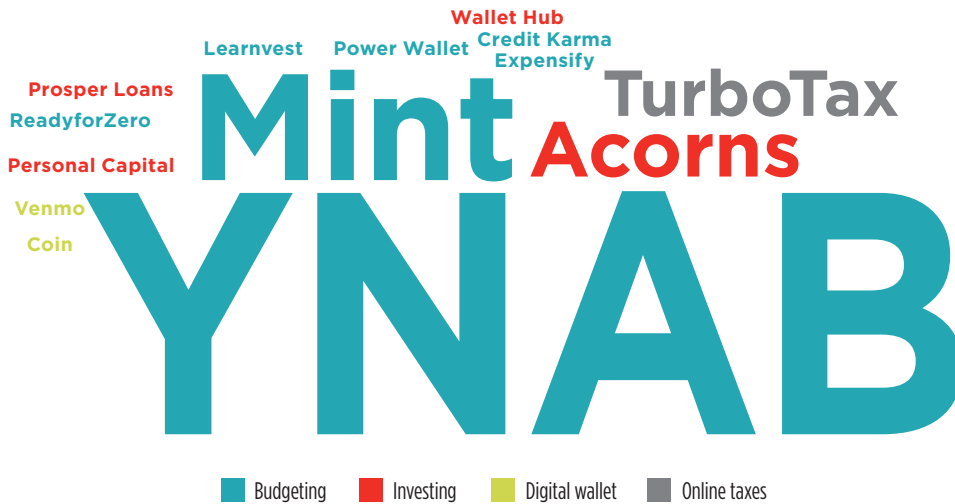
Another group is formed by investment and wealth management tools such as Prosper Loans and Wallet Hub. The one that generates most online chatter is Acorns, which allows users to microinvest their spare change from their smartphones.

A digital wallet is an electronic device that allows an individual to make electronic commerce transactions. This includes purchasing items online or using a smartphone to purchase something at a store. Digital wallets such as Venmo and Coin are still not at the center of the financial conversation, although with growing trends such as Apple Pay, Google Wallet, and even BitCoin Wallet, this can be expected to change.

TurboTax is one of the most popular tax preparation programs in the United States and it is the most mentioned program of its type in the forums, blogs, and tweets sampled. Conversation about TurboTax is highly seasonal, with most of the interest naturally concentrated between February and April. Still, a growing trend is clear.

FIGURE 19

PERSONAL FINANCE TECHNOLOGY BY CATEGORY*



*Type size represents proportion of mentions in our data.

CHAPTER 6

Money Meditation: Minimalism and Mindfulness

Minimalism refers to relying less on objects to display wealth.

The thriftiness and frugality (#frugle) conversation is centered around constraints imposed by economic necessity, but #staycation and #degifting are two examples of how such constraints can be reinterpreted in a more positive light, putting the focus on the experiential, social, and symbolic rather than on economic value.

In visual arts and music, minimalism is a style where the focus is on the essentials, eliminating the superfluous. Minimalism is also a lifestyle choice defined by removing excess, particularly material possessions, in order to emphasize and enjoy what is important.

I too feel the connection between getting out of debt, and changing the habits of my life, have lead me to minimalism. What a beautiful way to create meaning and depth to one's existence. —BLONDEONABUDGET.COM

True minimalists self-impose guidelines—from the tiny house (typically under 500 square feet) movement to the rule of owning 100 or fewer material possessions. More widely, however, minimalism is part of the conversation about finding meaning and happiness in a life of frugality imposed by economic conditions.

Want to own a car or a house? Great, have at it! Want to raise a family and have a career? If these things are important to you, then that's wonderful. Minimalism simply allows you to make these decisions more consciously, more deliberately. —THEMINIMALISTS.COM

The idea of consciousness and deliberation in each decision is repeated throughout our sample and becomes the next theme in our analysis.

Mindfulness refers to the psychological state of purposeful behavior often associated with living in the now as opposed to the past or future.

Mindfulness has been described in clinical psychology literature as “a process of bringing a certain quality of attention to moment-by-moment experience.”⁶ Originally based on Buddhist meditation techniques, mindfulness has received considerable attention in contemporary psychology, especially among clinicians, because of its well-documented benefits to mental health.



Money anxiety and how to overcome it: #moneyanxiety #mindfulness

When Millennials talk about saving money and budgeting, mindfulness is at the center of the discourse. The repeated theme of focusing on every single purchase and every single decision shapes Millennials' money talk around the concepts of self-awareness, consciousness, and mindfulness.

FIGURE 20

MINDFULNESS IN FINANCIAL CONVERSATION



My goal was to put everything I do on a daily, weekly and monthly basis directly into your hands, so you could stop making impulse purchases and start making mindful decisions. . . . To achieve our financial goals, we simply need to make more mindful decisions. —CAITFLANDERS.COM

According to many, Millennials' financial woes stem from their short-sightedness—their tendency to focus on the short term (#YOLO) instead of planning for the future. Financially savvy Millennials seem to be embracing their alleged greatest vice and making assets out of their liabilities. In their discourse, it is through mindfulness—focusing on the moment-by-moment experience—that financial challenges are overcome. Day by day and choice by choice, they get closer to their goals. This generational change of strategy seems reasonable: Millennials' financial burdens are often so overwhelming that focusing on how long it will take to overcome them is very discouraging (#debtsentence); unlike young adults of past generations, their future income cannot be easily predicted or even taken for granted. Unable to face or trust the future, they become present. Millennials do so aided by more powerful fintech than ever and spurred by the same YOLO spirit that earns them a bad reputation; in need, it becomes their greatest strength and allows many to succeed against overwhelming odds. In their apparent recklessness, Millennials seem to be embracing the wisdom of Horace's *Odes*: "Seize the day, put very little trust in tomorrow."

CHAPTER 7

Recommendations for Credit Unions

This research can be used to better understand Millennials' perceptions of money and personal finance. As a generation that witnessed a severe financial crisis, Millennials are wary of debt yet are taking on unheard-of loans for their education. Millennials are also coming of age in an era of itinerant employment even among skilled and professional workers. As such, they are anxious about the future and tend to frame financial decisions in terms of mindfulness, in the present tense.

Credit unions should leverage this research by creating new products and promoting existing ones that reduce financial insecurities (financial literacy, budgeting, loan consolidation) through educational and financial planning apps. Credit unions should promote their suite of non-exploitive financial services by comparing their offerings term by term with those offered by banks. For example, instead of communicating only the interest rate, credit unions can be more transparent about the long-term debt load and

offer strategies to repay loans faster to reduce overall expenditures. To assuage Millennials' anxiety about the future, credit unions can communicate their offerings as present-bound, focusing on what Millennials can do today to ride the wave of uncertainty related to employment, debt, and savings. A campaign revolving around making one extra payment a year to reduce loan length and accumulated interest would likely be effective. It is a tangible, near-term goal that Millennials can commit to.

Utilizing Millennials' money chatter metaphors in marketing communications may prove effective. Campaigns encouraging Millennials to "break the chains of debt" using the paper chain symbol or to "create cool new beginnings" with reduced debt depicted by debt thermometers would resonate.

To assuage Millennials' anxiety about the future, credit unions can communicate their offerings as present-bound, focusing on what Millennials can do today to ride the wave of uncertainty related to employment, debt, and savings.

Knowing that Millennials enjoy playfulness but aspire "to adult" can give credit unions fodder for campaigns that highlight how their financial services can be tools in adulting. Campaigns that target milestones like graduation can seize on the adulting phenomenon, with credit unions casting themselves as ready, trusted partners in the transition to adulting.

Credit unions can navigate the YOLO and FOMO mind-sets by creating frameworks and possibly gamified apps that focus on present actions and small near-term goals. For example, a campaign could encourage Millennials to make one extra payment a year and reward themselves with a weekend staycation or nearcation.

To resolve the tension between the now and the potential, or to help Millennials navigate low-pain sacrifice actions today that provide for a less anxious future, credit unions can infuse their communications to Millennials with mindfulness philosophy and minimalist goals. Incentives could be created to engage in smaller home and auto loans as a mindful and minimalist way to gather assets that undergird financial health and enable increased experiences. To reinforce minimalist goals, credit unions could structure favorable loans with less collateral. They could also link degifting notions with minimalism to create holiday campaigns that encourage Millennials not to accumulate and gift random things but to mindfully focus on the asset thermometers and shared experiences; for example, "Fear the Debth Reaper: Degift." Take for instance REI's counter intuitive #optoutside campaign that closed their store doors on Black Friday of 2015, providing their employees the day off and encouraging everyone to get outdoors. The result was a significant rise in membership for this cooperative business.

Alternatively, credit unions could encourage “Friendsgiving” [celebrating Thanksgiving with friends, often on a day near Thanksgiving but not actually on Thanksgiving since that is often reserved for family] over gift exchanges with campaigns that depict minimalism: “Another white elephant gift. Another storage nightmare.” Coupled with financial services that enable (micro)loans for experiences rather than credit cards with high interest rates, credit unions can help Millennials avoid FOMO in a fiscally responsible way.

By creating budget categories that give Millennials transparency in allocating resources (vacation, student loan, autos, housing), credit unions can alleviate Millennials’ financial anxieties and reinvigorate older ideas like Christmas clubs.

Credit unions can also offer specialized insurance for Millennials who opt to engage in new access economy behaviors like short-term property rentals and car sharing.

Final Thought

This report gives credit unions insight into Millennial mind-sets. Armed with this knowledge and the credit union mission (people, not profit), credit unions can become Millennials’ cherished financial partners.

APPENDIX

Research Methodology

Because Millennials are technologically savvy and socially connected via global media, we examined online platforms. Using naturalistic observation of credit unions’ web presence and social media platform use, we performed discourse analysis on the manner in which Millennials discuss money and personal finance. There are two key advantages to performing a naturalistic discourse analysis online: (1) the data are *in situ* data, or data that are naturally occurring rather than collected for the explicit purpose of the study, which reduces biases present in experimental and self-report survey data, and (2) it provides an accurate representation of the current Millennial discourse revolving around personal finance.

After meticulously coding the discourse content of social media discussions, we identified terms Millennials use to discuss money and personal finance, symbols they use in reference to money and personal finance, and themes surrounding their perceptions of and interest in money and personal finance.

Absent from an in situ online discourse analysis is behavioral intent. In essence, we know what was said but not necessarily why it was said. Blogs, with their longer narrative structure, helped us access the inspirations behind the discussions.

Findings

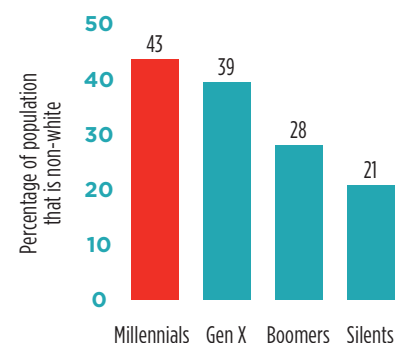
To understand how Millennials view money and personal finance, we examined their online discussions surrounding money and personal finance. One such source, Halfbanked.com, describes itself as:

A place where young professionals who have no interest in boring financial advice can find real talk about money—no boring dudes in suits required. Because seriously: how on earth did an entire industry make “talking about the tool we use to do all of the awesome stuff we love” a boring subject? It baffles me, all the time. —HALFBANKED.COM HOMEPAGE

By examining Millennials’ in situ discussions about money, we arrived at this guide to understanding Millennial money chatter.

FIGURE 21

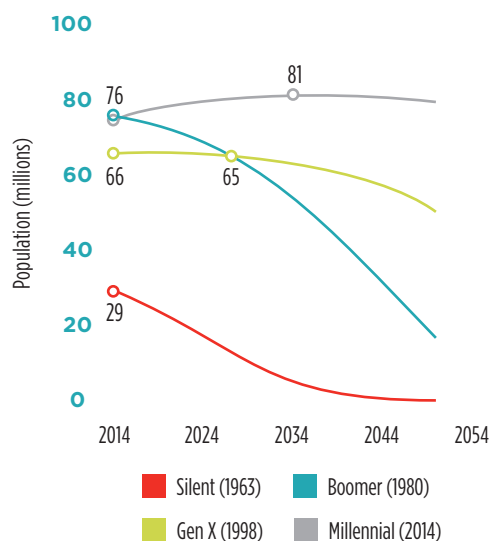
COMPARING THE RACIAL MAKEUP OF THE GENERATIONS



Note: Non-whites include Hispanics.
Source: Pew Research Center tabulations of the US Census Bureau’s March 2014 Current Population Survey from the Integrated Public Use Microdata Series (IPUMS).

FIGURE 22

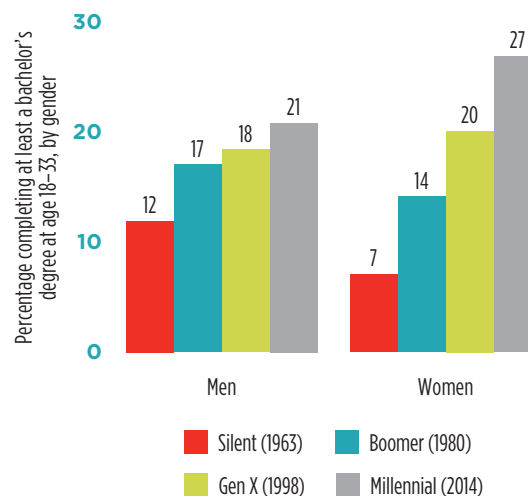
PROJECTED POPULATION BY GENERATION



Source: Pew Research Center tabulations of US Census Bureau population projections released December 2014.

FIGURE 23

MILLENNIALS ON TRACK TO BE THE MOST EDUCATED GENERATION TO DATE

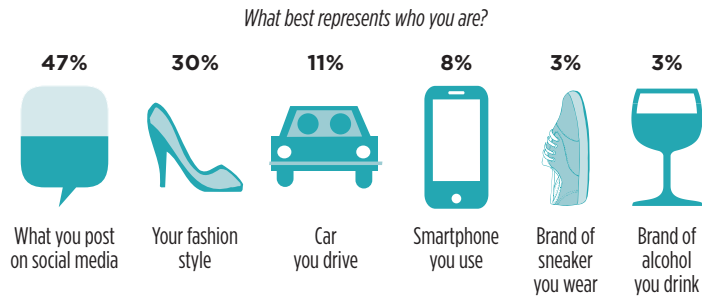


Note: The educational attainment question was changed in 1992. So for Boomers and Silents, this refers to those who completed at least four years of college. Educational attainment was not available for the 1963 Current Population Survey. The education of Silents was approximated using 18–33-year-olds from the 1962 Current Population Survey.

Source: Pew Research Center tabulations of the March Current Population Surveys (1963, 1980, 1998, and 2014) from the Integrated Public Use Microdata Series (IPUMS).

FIGURE 24

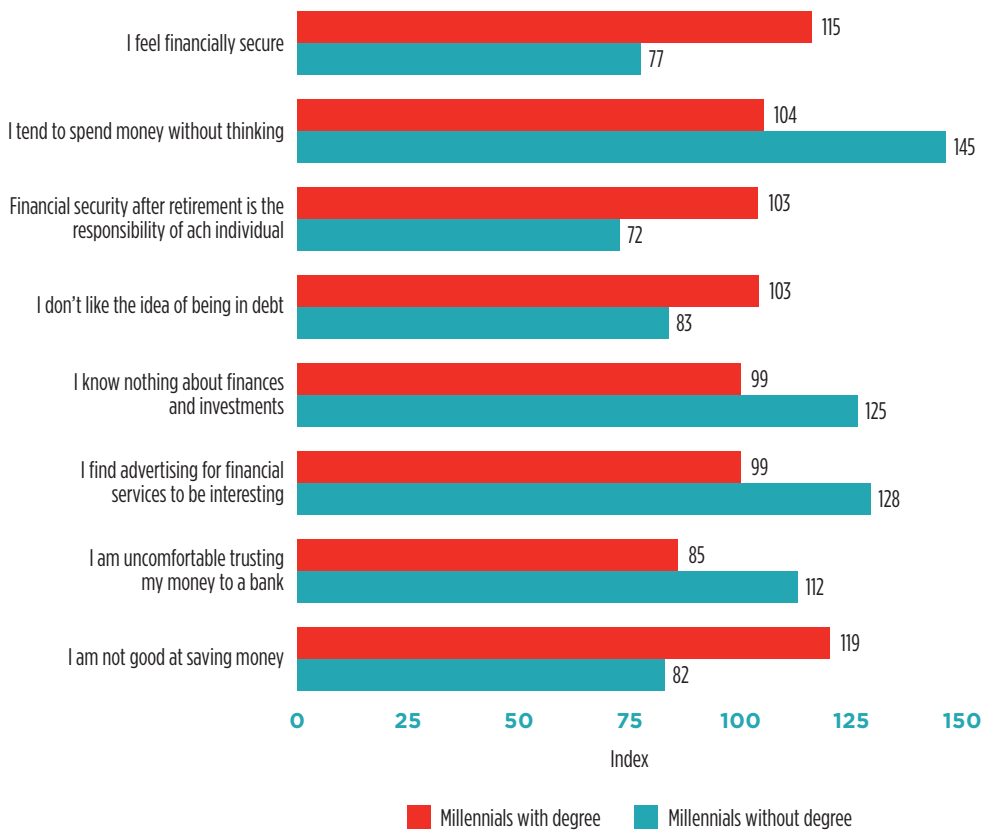
TODAY, MILLENNIAL CONSUMERS CARE LESS ABOUT STUFF



Source: ME-DIA 2016 Trend Report.

FIGURE 25

FINANCIAL ATTITUDES OF MILLENNIALS (2014)

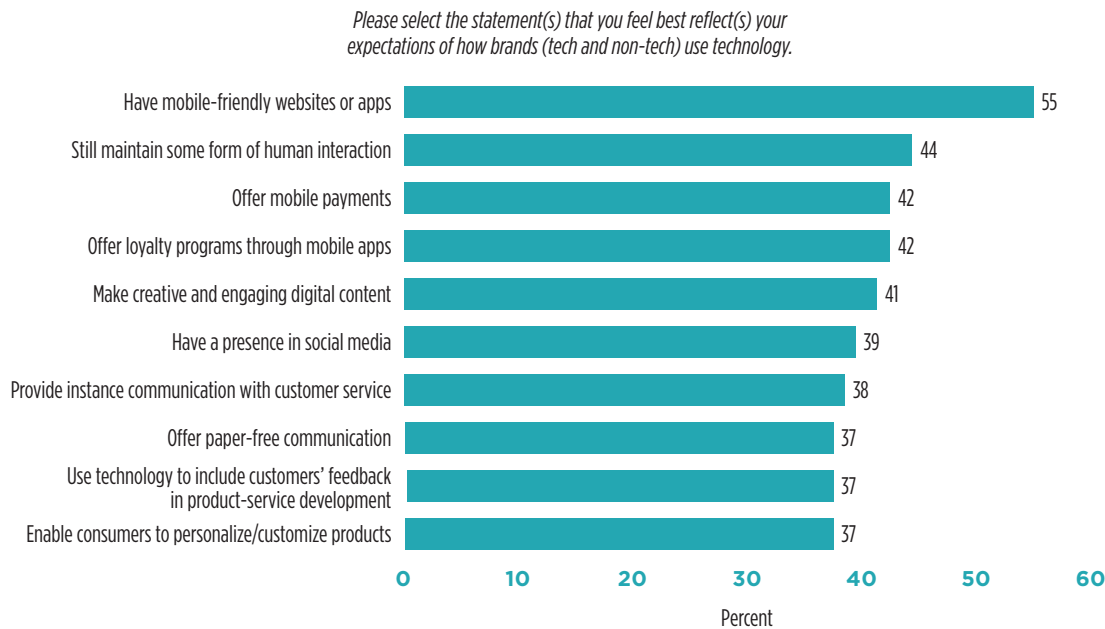


Note: Comparisons made vs. all adults.

Source: Experian Research, © October 2014, The Research Brand.

FIGURE 26

**SMARTPHONE-OWNING MILLENNIALS' TOP 10 EXPECTATIONS FOR BRANDS' TECH USE
(FEBRUARY 2015)**

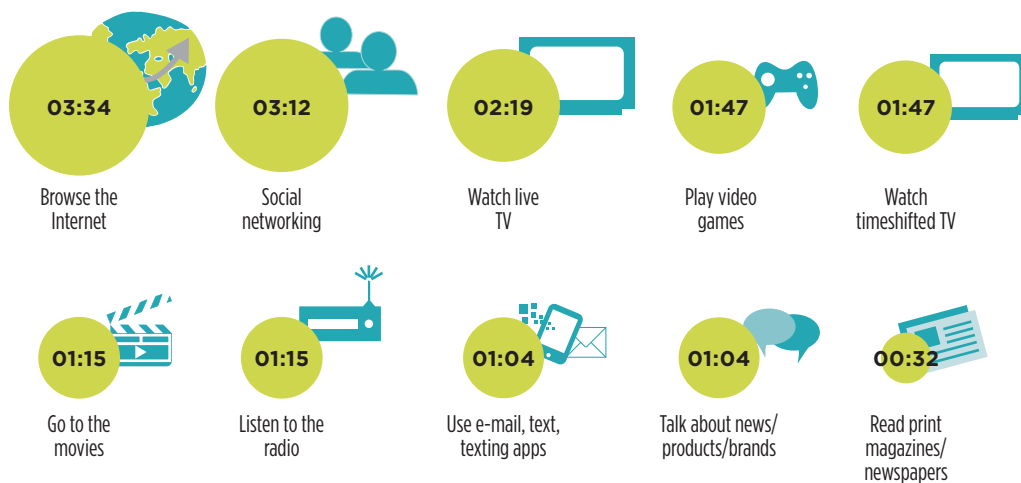


Note: Based on a survey of 500 smartphone-owning Millennials (age 19–33).

Source: MarketingCharts, “How Smartphone-Owning Millennials Expect Brands to Use Technology,” February 5, 2015, www.marketingcharts.com/online/how-smartphone-owning-millennials-expect-brands-to-use-technology-51040.

FIGURE 27

**AVERAGE TIME MILLENNIALS IN THE UNITED STATES SPEND INTERACTING WITH
MEDIA PER DAY**

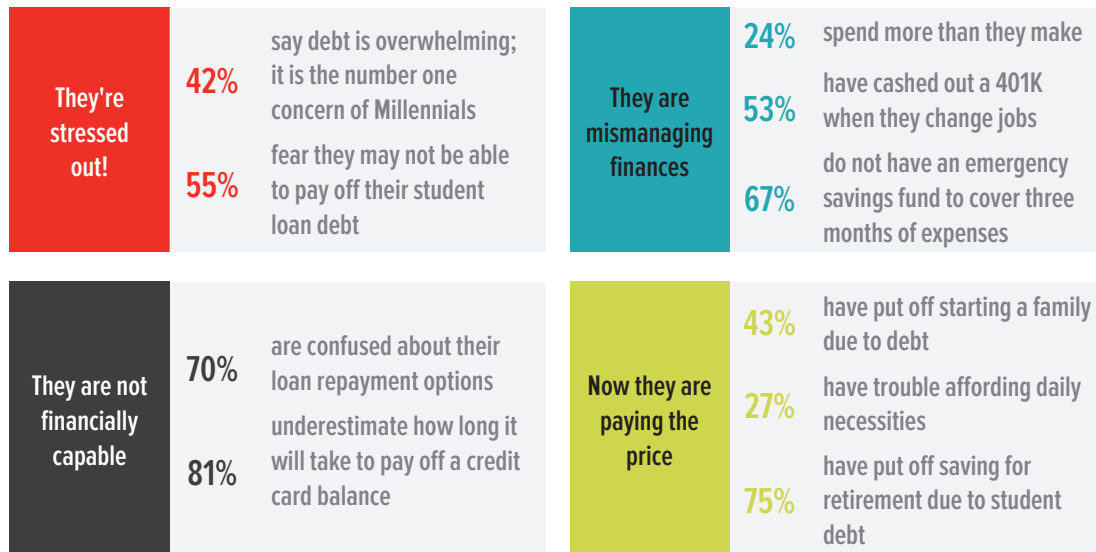


Note: Media activities are not mutually exclusive; based on a 2014 survey among 839 US adults aged 18–36.

Source: Niall McCarthy, “Millennials Rack Up 18 Hours of Media Use Per Day,” Statista, March 13, 2014, www.statista.com/chart/2002/time-millennials-spend-interacting-with-media.

FIGURE 28

REASONS MILLENNIALS ARE MISSING THE POINT ON FINANCIAL PLANNING



Source: Evan Powers, "Why Millennials Are Missing the Point on Financial Planning," MyFinancialAnswers, May 31, 2015, <http://myfinancialanswers.com/why-millennials-are-missing-the-point-on-financial-planning/>.

Endnotes

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